

Message Text

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42

ACTION AF-18

INFO OCT-01 ARA-16 EUR-25 EA-11 NEA-10 IO-14 ISO-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 DRC-01 OMB-01

COME-00 INT-08 TRSE-00 EB-11 SCI-06 SCEM-02 AID-20

FRB-02 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 /251 W

----- 042271

R 08091"Z JAN 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 2294

INFO AMEMBASSY ADDIS ABABA

AMEMBASSY CARACAS

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY TEHRAN

USMISSION GENEVA

AMEMBASSY VIENNA

OECD PARIS 3817

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E.O. 11652: N/A

TAGS: ENRG, NI

SUBJ: NIGERIAN OIL COMMISSIONER SUPPORTS RECIPROCAL COOPERATION

BEGIN UNCLASSIFIED

1. ACCORDING NEWSPAPER (NEW NIGERIAN), NIGERIAN COMMISSIONER OF MINES AND POWER SHETTIMA ALI MONGUNO AT HIS DEPARTURE JANUARY 5 FOR THE OPEC MEETING IN GENEVA "STRESSED NEED FOR CLOSER COOPERATION BETWEEN OIL PRODUCING AND CONSUMING COUNTRIES" AND "EMPHASIZED NEED FOR BOTH MANUFACTUERERS AND PRODUCERS OF RAW
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MATERIALS TO MEET AND DETERMINE PRICES."

2. EMPHASIS SLIGHTLY DIFFERENT IN OFFICIAL PRESS RELEASE WHICH QUOTES MONGUNO AS SAYING "IF CONSUMERS AND PRODUCERS ARE TO COME TOGETHER, IT SHOULD NOT BE JUST FOR FIXING PRICES OF RAW MATERIALS BUT RATHER THAT OF MANUFACTURED GOODS AS WELL." ACCORDING PRESS RELEASE, "MONGUNO SAID THAT, WHILE ACCEPTING THE MOVE FOR CLOSER COOPERATION WITH CONSUMING COUNTRIES, SUCH COOPERATION AND UNDERTAKING SHOULD BE MUTUAL AND RECIPROCAL."

3. BOTH ACCOUNTS AGREE THAT MONGUNO DECRIED FORMER WAY IN WHICH INDUSTRIALIZED COUNTRIES UNILATERALLY FIXED PRICES OF BOTH THEIR RAW MATERIAL IMPORTS AND THEIR MANUFACTURED GOODS EXPORTS. CONCLUDING HIS REMARKS ON HOW PRICES MIGHT BE DETERMINED IN THE FUTURE, MONGUNO IS QUOTED AS SAYING "OPEC MEMBERS SEEK NO MORE AND NO LESS THAN THE TRUE VALUE OF THEIR COMMODITY, OIL, AS DICTATED BY THE LAW OF SUPPLY AND DEMAND."

4. MONGUNO ADDED OPEC IS "AS HUMANITARIAN IN CHARACTER AS ANY COMMERCIAL ORGANIZATION" AND "IS TO BUILD AND CORRECT AND NOT TO DESTROY" -- WITHOUT SACRIFICING "THE INTERESTS OF MILLIONS OF PEOPLE IN OIL PRODUCING COUNTRIES WHO ARE THE REAL OWNERS OF THE OIL WEALTH."

5. APPARENTLY IN REPLY TO A QUESTION, MONGUNO SAID NIGERIA WILL NOT SUPPLY CRUDE OIL TO UK UNDER "ANY SPECIAL ARRANGEMENT." HE ADDED THAT "TO DO THIS (WOULD MEAN) GOING AGAINST OUR POLICY ON THE MIDDLE EAST AND THAT OF THE OAU", AND "WE ARE NOT GOING TO EXPLOIT THE ARAB OIL EMBARGO SITUATION TO PROMOTE OUR OIL SALES."

END UNCLASSIFIED, BEGIN LOU

6. COMMENT. MONGUNO MAY HAVE INTENDED THIS LAST REMARK TO INCLUDE DIRECT SALES OF ROYALTY AND PARTICIPATION CRUDE OIL. NIGERIAN NATIONAL OIL CORPORATION SALES MANAGER (UWAMU) TOLD EMBOFF JANUARY 3 THAT SALE OF SUCH OIL IS CURRENTLY BEING ARRANGED WITH 7-8 BUYERS AT \$22.60 PER BARREL (LAGOS 10308), BUT MONGUNO IS RUMORED TO BE HAVING SECOND THOUGHTS ON PERMITTING SALE AT SUCH A HIGH PRICE.
CROSBY

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: n/a
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30 JUN 2005

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CARACAS
GENEVA
MULTIPLE
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